REMARKS

In the Office Action dated October 12, 2006, the Examiner rejected claims 1-11, 13, 15, 16 and 19-24, which were all of the then pending claims, under 35 U.S.C. 103 as being unpatentable over US Patent No. 5,351,302 to Leighton, et al. (Leighton) in view of US Patent No. 5,903,652 to Mital (Mital), and US Pending Patent Application Serial No. 2002/0128940 to Orrin (Orrin); claims 1, 7 and 13 are the independent claims). Claims 3, 4, 9, 10, 15 and 16 were rejected as being unpatentable over Leighton, Mital and Orrin, as applied to claims 1, 7 and 13, and further in view of U.S. Patent 5,850,442 (Muftic). Claim 6 was rejected as being unpatentable over Leighton, et al., Mital and Orrin as applied to claims 5, 11 and 17, and further in view of U.S. Patent 6,185,678 (Arbaugh, et al.).

For the reasons discussed below, claims 1-11, 13, 15, 16 and 19-24 patentably distinguish over the prior art combinations with Leighton, et al., as the primary reference, in various combinations with Mital, Orrin, Muftic or Arbaugh, et al., and are allowable. The Examiner is thus asked to reconsider and to withdraw the rejections of claims 1-11, 13, 15, 16 and 19-24 under 35 U.S.C. 103(a), and to allow these claims.

Generally, Claims 1-11, 13, 15, 16 and 19-24 patentably distinguish over the cited prior art because none of the cited references show or suggest the feature, in a process of transferring a title from a first party owner to a second party transferee, that the owner of the title, using a public signature scheme of the owner, signs the title by appending a message to the title, and that the message includes a public part of a signature scheme of the second party transferee.

In order to best understand this feature and its significance, it may be helpful to review briefly the present invention and the prior art.

The present invention generally relates to establishing and to managing electronic titles for financial instruments. In order to develop a suitable mechanism to do this, a number of issues need to be addressed. For instance, it is necessary, or highly desirable, to prevent the creation of illegitimate titles and to prevent fraudulent sales. Also, the owner needs to be able to show ownership. The ability to maintain confidentiality and to preserve anonymity may also be important.

The present invention effectively addresses these issues. Generally, this is done through a unique involvement of three parties – the owner, the transferee (such as a buyer), and a third party emitter. With the preferred embodiment of the present invention, the third party emitter issues a title for a financial instrument; and the title includes (i) a message describing the title and how to contact the owner, and (ii) a digital signature of the owner. When the owner wants to transfer the title to another person, the owner, using his or her public signature scheme, appends a message to the title, and this message includes a public part of a signature scheme of that other person – that is, the transferee.

The references of record do not disclose or suggest this same type of three-party involvement. In particular, the prior art does not disclose or suggest the above-described role of the owner.

For instance, Leighton discloses a system for preventing counterfeiting or otherwise illegal use of documents. In the Leighton system, a title is provided with an identifier uniquely associated with the personal or real property that is the subject of the title, and information directly or indirectly identifying the owner of the property.

In the Office Action, the Examiner asserts that Leighton substantially discloses in the Abstract and at column 1, line 1, through col. 1, line 16, the limitations of the current application such as: creating digitally secure documents using cryptography, concatenation of

data strings, digital signature, etc., and at column 1, lines 35-68, creating titles for personal and real property, including a digital signature of the owner, and at column 2, lines 51-68, the owner transferring ownership of the financial instrument to another person, the owner, using a public signature schema of the owner, signing the title using a public signature scheme of the owner and appending to the title a public part of a signature scheme of said other person (i.e., the third party transferee).

Applicants respectfully disagree. For example, while the Examiner asserts that Leighton, at col. 2, lines 51-68, discloses:

the owner transferring ownership of the financial instrument to the second party transferee, including the steps of

the owner, using a public signature scheme of the owner, signing the title by appending a message to the title, said message including a public part of a signature scheme of said second party transferee,

applicants understand that the cited Leighton text merely discusses digital signatures and public-key cryptosystems, and how a digital signature can be used to bind information to a title. There is no teaching or suggestion in the cited portion of Leighton, et al. (or in any other portion of this reference) of having the owner, using his or her public signature scheme, append a message to the title, where this message includes a public part of a signature scheme of the transferee.

The Examiner also argued that Leighton does not explicitly disclose a second party transferee and appending a message to the title including a public part of a signature scheme, a third party emitter issuing to the owner a title for a financial instrument and a message describing the title and how to contact the emitter, but that Mital discloses a third party emitter issuing to the owner a title for a financial instrument and a message describing

the title and how to contact the emitter to prepare a secure authenticated digital document with digital signature to be transmitted over the Internet, and that it would have been obvious to modify Leighton, and include a third-party emitter issuing to the owner a title for a financial instrument and a message describing the title and how to contact the emitter, as disclosed by Mital, to prepare a authenticated digital document for sending over the Internet.

Applicants respectfully disagree. There is no motivation found in either Leighton or Mital for combining the two, a requirement for establishing and maintaining a rejection under 35 USC 103(a). For that matter, and as will be discussed in greater detail below, any combination of Leighton and Mital would still fail to include that a second party transferee (assignee), and appending a message to the title that includes a public part of the signature scheme. In such a hypothetical system, various people at various locations input and process data to effect a transaction; and, in this system, digital signatures and encryption are used to keep the transaction secure. Hence combining Leighton, et al., with Mital, *assuming arguendo* some teaching, suggestion or motivation in the prior art for making such a combination, still does not remedy the shortcomings of Leighton, with respect to the claim 1 language. That is, combining Leighton, et al., and Mital still would not realize a method such as that set forth in applicants' claim 1, including:

the owner transferring ownership of the financial instrument to the second party transferee, including the steps of

the owner, using a public signature scheme of the owner, signing the title by appending a message to the title, said message including a public part of a signature scheme of said second party transferee.

There is no teaching or suggestion in the cited portion of Leighton (or in any other portion of this reference) that can be remedied by combining with Mital, of having the

owner, using his or her public signature scheme, append a message to the title, where this message includes a public part of a signature scheme of the transferee.

And as mentioned, the Examiner continues the argument for the rejection of claims 1, 2, 5, 7, 8, 11, 13 and 19-23 under Section 103(a) by asserting that Leighton discloses transferring ownership, but that the two-by combination does not explicitly disclose a second party transferee, and appending a message to title, the message including a public part of a signature scheme of the second party transferee. The Examiner then asserts that Orrin discloses a second party transferee (assignee), and appending a message to the title that has a public part (par. 004, 015,030)), and that it would therefore have been obvious to modify the Leighton as modified by Mital combination to include appending a message to title that has a public part, as disclosed by Orrin.

Applicants respectfully disagree. There is no teaching, suggestion or motivation in any of the three references for combining them to realize applicants' invention as claimed. Moreover, applicants' rejected independent claims do not recite a message to title with a public part. Applicants' independent claims include the limitation that:

the owner transferring ownership of the financial instrument to the second party transferee, including the steps of

the owner, using a public signature scheme of the owner, signing the title by appending a message to the title, said message including a public part of a signature scheme of said second party transferee.

There is no teaching or suggestion in the cited portion of Orrin of having the owner, using his or her public signature scheme, append a message to the title, where this message includes a public part of a signature scheme of the transferee. Hence, combining Leighton with Mital, and combining the hypothetical Leighton/Mital combination with Orrin,

assuming arguendo some teaching, suggestion or motivation in the references or prior art for making such a combination, still does not remedy the shortcomings of Leighton, or Leighton combined with Mital, or Leighton combined with Mital combined with Orrin with respect to the claim 1 language. That is, combining Leighton, Mital and Orrin still would not realize a method such as that set forth in applicants' independent claims, including the owner transferring ownership of the financial instrument to the second party transferee, including the owner, using a public signature scheme of the owner, signing the title by appending a message to the title, said message including a public part of a signature scheme of said second party transferee, a limitation in each of claims 1, 7 and 13.

Due to the above-discussed differences between claims 1, 7 and 13 and the Leighton, et al., Mital and Orrin combination, and because of the advantages associated with these differences, Claims 1, 7 and 13 patentably distinguish over the prior art and are allowable. Claims 2, 5, 8, 11, 19-24 are dependent from Claim 1 and are allowable therewith. The Examiner is, accordingly, respectfully asked to reconsider and to withdraw the rejections of claims 1, 2, 5, 7, 8, 11, 13 and 19-24 under 35 U.S.C. §103 (a) by the Leighton, et al., Mital and Orrin combination, and to allow the claims.

With respect to the rejection of claims 3-4, 9-10 and 15-16, the Examiner asserts that each claim is unpatentable over Leighton combined with Orrin combined with Mital and further combined with Muftic. That is, the Examiner asserts that Leighton discloses creating digital secure encrypted documents (titles) using public key encryption, that none of Leighton, Orrin or Mital disclose an owner keeping the public part of the signature of the second party transferee available to subsequent buyers, or disclose sending title, with the signature of the owner to the second party transferee, but Muftic discloses the steps. The Examiner concludes

that it would have been obvious, therefore, for the skilled artisan to combine the four (4) references and realize applicants' invention as set forth in the rejected claims.

Applicants respectfully disagree. First and foremost, there is no teaching, suggestion or motivation found in any of the references for the combination under 35 USC 103(a), and supporting US case law. More directly, none of the combinations of Leighton with Mital, Leighton and Mital with Orrin, or Leighton, Mital and Orrin with Muftic are proper under 103 (a) for lack of motivation to combine. In re Rouffet, 47 uspq2d 1457-8 (Fed. Cir. 1998). Even *assuming arguendo* that there is some reason, motivation or suggestion for combining the four (4) references, such a by-four combination still would not render obvious applicants' invention as set in the rejected claims. Combining Leighton with Mital, Leighton and Mital with Orrin, and Leighton, Mital and Orrin with Muftic does not realize an invention that as claimed includes an owner transferring ownership of a financial instrument to a second party transferee, including the owner, using a public signature scheme of the owner, signing the title by appending a message to the title, where the message includes a public part of a signature scheme of said second party transferee

Due to the above-discussed differences between claims 3, 4, 9, 10, 15 and 16, and the asserted Leighton, Mital, Orrin and Muftic combination, and the above argument in favor of the patentability of independent claims 1, 7 and 13 in view of the proposed combination of Leighton, Mital and Orrin, claims 3, 4, 9, 10, 15 and 16 patentably distinguish over any combination of this prior art by-four combination, and are therefore allowable. The Examiner is, accordingly, respectfully asked to reconsider and to withdraw the rejections of claims 3, 4, 9, 10, 15 and 16 under 35 U.S.C. §103 (a) by the Leighton, Mital, Orrin and Muftic combination, and to allow the claims.

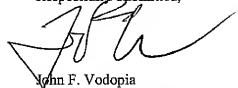
With respect to the rejection of claim 6 under 35 USC 103(a) over Leighton, Mital and Orrin, and further in view of Arbaugh, et al., the Examiner asserts that Arbaugh discloses that the secure cryptographic generator is an IBM 4748, rendering claim 6 obvious in view of the combination. Applicants respectfully disagree. There is no teaching, suggestion or motivation found in the references for combining them to realize an invention such as set forth in applicants' claim 6. Moreover, even *assuming arguendo* that there some teaching, suggestion or motivation for combining the four references can be found, or articulated, the four-by combination still would not realize an invention as limited by the claim 6 language. That is, a hypothetical four-by combination of the references still would not realize an invention including that an owner transfer ownership of a financial instrument to a second party transferee, including the owner, using a public signature scheme of the owner, and signing the title by appending a message to the title that includes a public part of a signature scheme of said second party transferee. For at least these reasons and the argument set forth above in favor of the patentability of independent claims 1, 7 and 13 in view of the combination of Leighton, Mital and Orrin, applicants respectfully assert that claim 6 is patentable under Section 103(a) in view of Leighton, Mital, Orrin and Arbaugh, and request withdrawal of the claim 6 rejection.

The other references of record have been reviewed, and these other references, whether considered individually or in combination, also do not disclose or suggest this feature of the present invention.

For the reasons discussed above, the present application, including pending claims 1-11, 13, 15, 16 and 19-24, is now in condition for allowance, a notice of which is requested. If the Examiner believes that a telephone conference with applicants' attorneys

would be advantageous to the disposition of this case, the Examiner is asked to telephone the undersigned.

Respectfully Submitted,



John F. Vodopia
Registration No. 36,299
Attorney for Applicants

Scully, Scott, Murphy & Presser, P.C.
400 Garden City Plaza, Suite 300
Garden City, New York 11530
(516) 742-4343

JFV:gc